

Senate Study Bill 1178 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
TRANSPORTATION BILL BY
CHAIRPERSON KAPUCIAN)

A BILL FOR

1 An Act relating to insurers in possession of salvage motor
2 vehicles.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.45, subsection 2, paragraph a, Code
2 2017, is amended by adding the following new subparagraph:

3 NEW SUBPARAGRAPH. (6) An insurer obtains a salvage
4 certificate of title for a vehicle pursuant to section 321.52,
5 subsection 4, paragraph "0a".

6 Sec. 2. Section 321.52, subsection 4, Code 2017, is amended
7 by adding the following new paragraph:

8 NEW PARAGRAPH. 0a. Notwithstanding any other provision of
9 law to the contrary, an insurer may apply for and be issued
10 a salvage certificate of title for a motor vehicle without
11 surrendering the certificate of title or manufacturer's or
12 importer's statement of origin properly assigned if ownership
13 of the vehicle was transferred, or will transfer, to the
14 insurer pursuant to a settlement with the previous owner of
15 the vehicle arising from circumstances involving damage to
16 the vehicle, and at least thirty days have expired since
17 the effective date of such settlement. To obtain a salvage
18 certificate of title pursuant to this paragraph "0a", the
19 insurer shall submit an application for a salvage certificate
20 of title to the county treasurer of the county in which
21 the vehicle is stored by or on behalf of the insurer. The
22 application shall be accompanied by an affidavit from the
23 insurer that the insurer has made at least two written
24 attempts to obtain a properly assigned certificate of title
25 or manufacturer's or importer's statement of origin for the
26 vehicle, and has been unable to do so. The application shall
27 also be accompanied by the application fee required under
28 paragraph "a", and proof of payment of the total amount of
29 the settlement by the insurer to the previous owner of the
30 vehicle. Upon receiving an application that complies with this
31 paragraph "0a", the county treasurer shall issue a salvage
32 certificate of title to the insurer which shall bear the word
33 "SALVAGE" stamped or printed on the face of the title in a
34 manner prescribed by the department.

35 Sec. 3. Section 321.67, Code 2017, is amended to read as

1 follows:

2 **321.67 Certificate of title must be executed.**

3 1. No person, except as provided in [sections 321.23](#) and
4 [321.45](#), and [section 321.52, subsection 2](#), paragraph "b", and
5 [section 321.52, subsection 4, paragraph "0a"](#), shall sell
6 or otherwise dispose of a registered vehicle or a vehicle
7 subject to registration without delivering to the purchaser or
8 transferee thereof a certificate of title with such assignment
9 thereon as may be necessary to show title in the purchaser.

10 2. No person shall purchase or otherwise acquire or bring
11 into this state a registered vehicle or a vehicle subject to
12 registration without obtaining a certificate of title thereto
13 except for temporary use or as provided in [sections 321.23](#) and
14 [321.45](#), and [section 321.52, subsection 2](#), paragraph "b", and
15 [section 321.52, subsection 4, paragraph "0a"](#).

16 Sec. 4. Section 321.104, subsection 4, Code 2017, is amended
17 to read as follows:

18 4. To sell, offer for sale, or transfer a motor vehicle,
19 trailer, or semitrailer, except as provided in [section 321.47](#)
20 or [321.48](#), or [section 321.52, subsection 2](#), paragraph "b",
21 [or section 321.52, subsection 4, paragraph "0a"](#), without
22 obtaining a certificate of title in the name of the seller or
23 transferor or without delivering to the purchaser or transferee
24 a certificate of title or a manufacturer's or importer's
25 certificate duly assigned to the purchaser or transferee as
26 provided in [this chapter](#).

27 EXPLANATION

28 The inclusion of this explanation does not constitute agreement with
29 the explanation's substance by the members of the general assembly.

30 This bill provides that an insurer may apply for and be
31 issued a salvage certificate of title for a motor vehicle
32 without surrendering the certificate of title or manufacturer's
33 or importer's statement of origin properly assigned if
34 ownership of the vehicle was transferred, or will transfer,
35 to the insurer pursuant to a settlement with the previous

1 owner of the vehicle arising from circumstances involving
2 damage to the vehicle, and at least 30 days have expired since
3 the effective date of such settlement. To obtain a salvage
4 certificate of title pursuant to the bill, the insurer must
5 submit an application for a salvage certificate of title to
6 the county treasurer of the county in which the vehicle is
7 stored by or on behalf of the insurer. The application must be
8 accompanied by an affidavit from the insurer that the insurer
9 has made at least two written attempts to obtain a properly
10 assigned certificate of title or manufacturer's or importer's
11 statement of origin for the vehicle, and has been unable to do
12 so. The application must also be accompanied by the required
13 application fee and proof of payment of the total amount of the
14 settlement by the insurer to the previous owner of the vehicle.
15 Upon receiving a proper application, the county treasurer
16 is required to issue a salvage certificate of title to the
17 insurer.

18 The bill exempts such insurers from prohibitions under
19 current law against acquiring a vehicle without also obtaining
20 the vehicle's certificate of title or manufacturer's or
21 importer's certificate.